

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

McKinley et al.

Application No.: 10/029,229

Filed: December 21, 2001

For: WATERMARK SYSTEMS
AND METHODS

Examiner: A. Mackowey

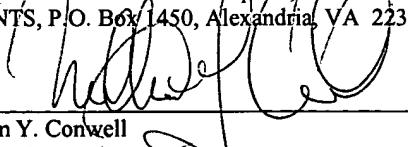
Date: November 8, 2005

Art Unit: 2623

Confirmation No.: 3458

CERTIFICATE OF MAILING

I hereby certify that this paper and the documents referred to as being attached or enclosed herewith are being deposited with the United States Postal Service on November 8, 2005 as First Class Mail in an envelope addressed to: Mail Stop AF, COMMISSIONER FOR PATENTS, P.O. Box 1450, Alexandria, VA 22313-1450.


William Y. Conwell
Attorney for Applicant

PRE-APPEAL BRIEF REQUEST FOR REVIEW

MAIL STOP AF
COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Applicant requests review of the final rejection in the above-identified application. No amendment is being filed with this request.

This request is being filed with a Notice of Appeal.

The review is requested for the reason(s) stated on the attached sheets. (No more than 5 pages are provided.)

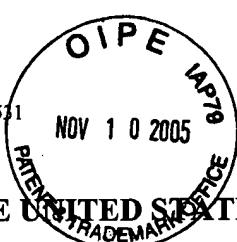
Date: November 8, 2005

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Respectfully submitted,
DIGIMARC CORPORATION

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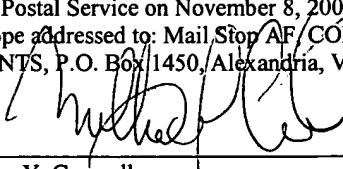
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REASONS FOR PRE-APPEAL BRIEF REQUEST FOR REVIEW

Claims 18-20 and 24-27 stand rejected over Ogasawara (6,512,919) in view of Yamaguchi (6,438,251). Claims 21 and 22 stand rejected over the same art, plus Tsukamoto (6,359,837).

The primary reference, Ogasawara, is understood to disclose an electronic shopping system employing a wireless videophone. The videophone includes a CCD camera system that can capture images of bar codes printed on grocery products (col. 3, line 14).

Ogasawara also notes that his camera device can read bar code information presented on an LCD display (col. 22, line 4). He explains, for example, that grocery stores sometimes have weighing scales that display the weight of merchandise in bar code form on an LCD display (col. 22, lines 20-22). If a customer puts a bag of potatoes on such a weighing scale, Ogasawara's camera system can read the bar code that indicates the weight of the potatoes.

Yamaguchi discloses a system for embedding additional information into an image, in a state of invisibility (col. 2, lines 10-14).

The Action contends that an artisan would have found the arrangement of independent claim 18 obvious in view of Ogasawara's and Yamaguchi's teachings:

The teachings of Ogasawara and Yamaguchi are combinable because they both involve capturing and decoding images to obtain additional information. It

would have been obvious to one of ordinary skill in the art at the time the invention was made to have the steganographically encoded graphic of Yamaguchi, displayed, captured, and decoded as taught by Ogasawara. One would have been motivated to do so as it would allow a person to receive or send information to a desired location or party without obvious exposure of personal or financial information (i.e., electronic shopping as disclosed by Ogasawara).¹

Applicants respectfully submit that this rationale does not establish *prima facie* obviousness.

For example, it is based on the erroneous understanding that Ogasawara's electronic shopping method presents "*personal or financial information*" on a display, and then seeks to avoid exposure of such information.

This is not how Ogasawara works. The graphic taught by Ogasawara that is displayed on an LCD and imaged by his CCD camera, is a bar code. It has no personal/financial information.

As noted above, Ogasawara taught that an LCD-displayed bar code might display the weight of a bag of potatoes or the like (col. 22, lines 19-21). There is nothing personal or confidential about the weight of a bag of potatoes. Thus, an artisan would have no incentive – based on teachings found in these references – to employ Yamaguchi's techniques in combination with Ogasawara's system.

In the *Response to Arguments* section of the Final Rejection, the Office notes that Ogasawara wasn't cited for its teaching of a potato weigh scale, but rather for its teaching of an image sensor apparatus for capturing a graphic displayed on a display screen. Likewise, it was cited for teaching a portable device capable of displaying graphics, rather than the details of the graphic being displayed. (*Note:* Ogasawara's produce scale is not understood to be a "portable" device, as required by the claim.)

Regardless of such arguments, the obviousness inquiry must consider whether an artisan – viewing the teachings of the references, and without the aid of hindsight – would be led to the claimed combination.

¹ Emphasis added.

In the present case, an artisan familiar with Ogasawara's shopping arrangement would have no incentive to modify it - as proposed in the Action - to incorporate teachings from Yamaguchi. Only by using applicants' specification as a hindsight guide can such a combination be justified.

A motivation to modify and combine generally requires recognition of a particular problem, coupled with an obvious realization that the problem can be addressed by borrowing teachings from another reference.²

What problem would an artisan have recognized from Ogasawara's system?
Applicants respectfully submit, 'none.' Ogasawara's CCD vidophone/barcode-reading electronic shopping system is well suited for the purpose for which he teaches it.

"The factual inquiry whether to combine references must be thorough and searching."³ The need for specificity in the rejection pervades the case law.⁴ "Particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed."⁵

It is improper, in determining whether a person of ordinary skill would have been led to a combination of references, simply to "[use] that which the inventor taught against its teacher."⁶ Yet, despite assertions to the contrary, that is the foundation on which the present rejection seems based.

Dependent claims 19 and 20 are rejected similarly, with the rationale:

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have the graphic comprise an image of a person or more specifically an image of a proprietor of the portable device because the

² Recognition of a problem, alone, is not enough (and, moreover, is not present in this case). Case law establishes that an invention may be patentable even if the solution is obvious once the source of the problem is identified. In re Zurko, 111 F.3d 887 (Fed. Cir. 1997); In re Sponnoble, 405 F.2d 578 (CCPA 1969).

³ McGinley v. Franklin Sports, Inc., 262 F.3d 1339, 1351-52, 60 USPQ2d 1001, 1008 (Fed. Cir. 2001).

⁴ In re Sang Su Lee, 277 F.3d 1338 (Fed. Cir. 2002).

⁵ In re Kotzab, 217 F.3d 1365, 1371, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000).

⁶ In re Sang Su Lee, *ibid*, citing W.L. Gore v. Garlock, Inc., 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983).

device could be used as a form of personal identification, authorization or proof of ownership of the portable device.⁷

It will be recognized that the underlined reasoning does not draw from the prior art, but draws instead from the teaching of applicants' own disclosure. (Yamaguchi has no teaching of a portable device having a display screen that presents an image of the proprietor of the device.) Again, obviousness is not thereby established.

Moreover, claims 19, 20 and 24 require that the graphic (i.e., displayed on the display screen of the portable device) be an image of a person (the proprietor of the device). Yamaguchi teaches a face on an ID card, but not on the display of a portable device. Accordingly, even if Yamaguchi's teachings were combined with Ogasawara's, the claimed arrangements could not result.

Independent claim 25, and claims 26-27 dependent thereon, are rejected by reference to the earlier rejections of claims 18-20. As noted above, those rejections are deficient.

Dependent claims 21 and 22 stand rejected over Ogasawara and Yamaguchi, and also Tsukamoto (6,359,837). Tsukamoto is understood to disclose a wristwatch that can display time and graphic indicia.

The Action proposes combining Tsukamoto with Ogasawara and Yamaguchi by the following rationale:

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have the graphic displaying device of the combination of Ogasawara and Yamaguchi be a wristwatch as taught by Tsukamoto because a wristwatch is one of the most common accessories worn by people and is securely fastened around a person's wrist thus preventing loss and theft, further protecting information embedded within the graphic.⁸

This loses sight of the fact that Ogasawara – the principle reference – discloses use of his CCD camera system in a shopping context, for reading bar code data from a

⁷

Emphasis added.

⁸

Emphasis added.

produce weighing scale. The fact that a wristwatch is a common accessory, and is fastened around a person's wrist, does nothing to explain why an artisan would substitute a wristwatch LCD display for the one taught by Ogasawara. Again, hindsight – rather than a teaching or suggestion of the art – appears to have motivated the proposed combination.

Again, the Action has failed to establish *prima facie* obviousness.

There are other grounds for traversing the pending rejections. However, the foregoing is believed sufficient to show that the existing rejections will not be sustained on appeal.

Favorable reconsideration is solicited.

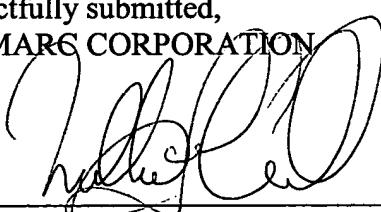
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